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Fresno, California

June 5, 2002

The City Council met in special session at the hour of 6:02 p.m. in the Council Chambers, City Hall, on the day above written.

Present:	Tom Boyajian	Councilmember
	Brian Calhoun	Councilmember
	Brad Castillo	Acting President
	Jerry Duncan	Councilmember
	Sal Quintero	Councilmember
	Dan Ronquillo	Councilmember
	Henry Perea	Council President

Dan Hobbs, City Manager
Hilda Cantu Montoy, City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

(5:15 P.M.) CONTINUED HEARING ON FY 2003 BUDGET

Councilmember Duncan advised information had been received this date from the City Controller relative to bonds used to help finance the solid waste system that expressed a concern that unless utility rates were increased the City would be in serious jeopardy and default a covenant, withdrew his motion made on May 21st, and urged the maker of the other motion to do the same stating Council could not afford to put the City in a tough financial condition and violate a covenant.

MOTION WITHDRAWN - Councilmember Duncan (Quintero) - Privatize commercial solid waste pick-up and eliminate the proposed 15% increase for commercial.

President Perea stated he would reserve his right to bring the motion back (and see if it would be seconded) to continue to remove it from the city budget, and requested from staff all the supporting information on the covenant.

Ms. Quinto responded to questions and comments of Acting President Castillo relative to the depletion of reserve account funds, how long this had been going on, staff's knowledge that the funds would be depleted and concern that action should have occurred long before this date, and what the current reserve amount was.

PERSONNEL SERVICES DEPARTMENT

Interim Director of Personnel Chavez introduced key staff and gave an overview of her department's proposed budget, and along with Risk Manager Turner, City Manager Hobbs, Budget Analyst Watahira and Budget Manager Lynch, responded to questions/comments of President Perea and Councilmembers Duncan, Calhoun and Boyajian and/or clarified issues relative to whether any fees were being increased, workers compensation including rates,

amount non-bargaining employees are paid, if this was a negotiation issue, state average, and need to review the 85% (with Councilmember Duncan stating it did not make sense for injured employees to be paid more than they make), increase in department positions, the Human Resource Analyst position including duties and who pays for the position, if any analysts were assigned to other departments, three new positions, Organizational Development and Training positions, need for detailed explanation on each new position for clarity, meaning of Retirement Reduced Temp Hours, the budget not being downsized or streamlined, need to revisit the wisdom of the mid-year changes, need to include salaries/information on the financial impact of all new positions city-wide, applications processed, and number of analyst positions added over the past three years.

Mr. Hobbs advised the Retirement Administration group felt the Retirement Office should not be located in the Personnel Services Department and that Retirement Administrator McDivitt was recommending they be located in General City Purpose. There was no further discussion.

FINANCE DEPARTMENT

Controller Quinto commended the budget division for all their work on the budget, gave an overview of her department's services and budget, Councilmember Duncan commended Ms. Quinto for her level of integrity, and Ms. Quinto responded to questions of President Perea and/or clarified issues relative to increase in the debt service fund (**2 - 0**), and increase/decrease in department staffing. There was no further discussion.

INFORMATION SERVICES DEPARTMENT (ISD)

Interim Chief Information Officer Carlton reviewed her department's budget at length including performance, significant projects completed, projects in progress, the reorganization plan and benefits, and responded to questions of President Perea relative to number of positions that would be phased in/converted over the next few years and if the conversion would result in reduced temporary dollars.

Sam Frank, President, FCEA, spoke in support of any investment in IT training.

Extensive discussion ensued with Ms. Carlton, Ms. Onoue, City Manager Hobbs, Controller Quinto and Budget Manager Lynch responding to questions and/or comments of Councilmembers Calhoun, Duncan, Ronquillo and Boyajian and/or clarifying issues relative to the training, travel and conference budgets, significant increase in billing charges, clarification that the training budget is used for employees city-wide, internal charges, website enhancements including cost, what was included, and need to stay from "glitz and glamor" and keep it basic and simple to update, why the city's cost for a low end computer was so much higher than a private company, request for staff to "take a hard look" at the way computers are purchased, concern with two staff members on each service call, past department management and (**3 - 0**) and if Ms. Carlton was working full-time, importance of good leadership, concern with the department's increased budgets over the past years, the IT system and plan, increased internal costs and need to deal with adjustments/fix problems in FY 03, and the \$40,700 travel and conference budget.

MOTION - Councilmember Calhoun/Castillo - Refer Travel and Conference budget to the Budget Subcommittee for review.

Ms. Carlton, Ms. Onoue and GIS Technician Coombs responded to questions of President Perea relative to the GIS move to Oracle, if the transition went out to bid, cost to go to Oracle, cost for system conversion, the positions added for PeopleSoft not being phased out, and PeopleSoft not delivering what was promised.

MOTION - President Perea/Ronquillo - Refer the \$35,800 in savings planned for a position conversion to the Budget Subcommittee for review.

Ms. Carlton and Mr. Hobbs responded to additional questions of President Perea and/or clarified issues relative to whether the department's funding came 100% from charges to other departments, what the detriment would be if the analysis on the reorganization continued, ID charges were not increased, and funds were placed into contingency, the personnel services and overtime budget, and technology needs.

MOTION - President Perea/Castillo - Refer the \$440,000 to the Budget Committee for review.

Ms. Carlton stated what she was requesting was what was needed this date and explained, and along with Mr. Watahira responded to additional questions/comments of President Perea and Acting President Castillo and/or clarified issues relative to the additional funding being requested for the website, the FY 02 and 03 budgets, the \$440,000 being for technical support, and if Ms. Carlton was being shared with another department or if she was a full-time ISD CIO. There was no further discussion.

HOUSING, ECONOMIC AND COMMUNITY DEVELOPMENT (HECD)

Economic Development Manager Burkhardt reviewed the department's divisions and budget including accomplishments, issues, challenges and recommendations (**4 - 0**), and along with Councilmember Calhoun clarified issues and/or responded to questions and/or comments of President Perea and Councilmembers Calhoun and Duncan relative to whether EDC's funding was included in the department's budget, when the presentation on EDC would take place, on-going work on an economic development policy, need for a future workshop on economic development, if EDC's request would be advanced along with the budget, progress made on the housing policy, support for EDC Director Sparr's performance and communication, and need for the city to continue to support the EDC.

MOTION - Councilmember Duncan/Calhoun - Increase EDC's budget from \$300,000 to \$325,000.

At the request of Councilmember Duncan, Housing & Community Development Director Hussmann advised how the new housing policy was affecting the budget and distributed a written report on HOME Program carry-over for FY 2003 reviewing the report and proposal at length.

Councilmember Duncan commented on the decision made last year to move street tree maintenance out of Parks and Recreation and into the Streets Division stating it made more sense and resulted in a remarkable improvement in productivity, and stated he wondered if there was an opportunity for more efficiency in street sweeping and Operation Clean Up by moving those functions to Solid Waste.

MOTION - Councilmember Duncan/Calhoun - Direct staff to conduct an analysis on moving street sweeping and Operation Clean Up to Solid Waste and report back with a recommendation.

Councilmember Duncan commented briefly in support of the EDC and commended staff. Councilmember Ronquillo commended staff on the presentation, commented on the need to focus CDBG funds on the Lowell-Jefferson and west Fresno community around the downtown area, and spoke to and expressed concern with the economic development issue stating he was not impressed and the city was way behind and explained. Councilmember Boyajian concurred with Councilmember Ronquillo's frustration stating the city was going backwards in the unemployment rate and stated he was real disappointed with this budget as there had been no input whatsoever from the Council housing committee, Redevelopment Agency and Housing Authority and stressed nothing had changed with housing, with City Manager Hobbs responding.

MOTION - Councilmember Boyajian/Castillo - Refer the HOME report/proposal to the Council Housing committee, the Redevelopment Agency and the Housing Authority for input.

Mr. Burkhardt, Mr. Hobbs, Mr. Hussmann and Community Sanitation Manager Salazar clarified issues and/or responded to questions/comments of Councilmembers Boyajian, Castillo and Calhoun relative to what the plans were on getting code enforcement off of federal money (with Councilmember Boyajian stating staff was stretching the law and expressed concern), intent of CDBG funds, need for vision and revenue streams, need for incentives for private enterprise to invest in Fresno, concern with neighborhood projects funding, funding for Project Pride, economic development and number of new jobs created over the past year, if they were created in cooperation with private enterprise or EDC, request for breakdown on companies/jobs and average wages, **(5 - 0)** \$300,000 for City Scape Project and lack of information, if the economic development area belonged in HECD, California's New Frontier including moving it forward and funding a second phase for business recruitment, and need to promote the city.

MOTION - Councilmember Calhoun/Duncan - Allocate \$20,000 to the budget to augment the existing \$20,000 to promote California's New Frontier.

Extensive discussion ensued with Mr. Burkhardt, Ms. Salazar, Controller Quinto, Mr. Hussmann, Mr. Hobbs, and EDC CEO Sparr responding to questions and/or comments of Councilmember Quintero, President Perea and Councilmembers Boyajian, Ronquillo, Castillo and Duncan and/or clarified issues relative to the White Picket Fence program including funding and need for a plan, code enforcement including whether any positions were being cut, funding for new positions (with Councilmember Quintero stating he would not support deleting any positions), cost to dispose of TV's, refrigerators, etc., due to material content, the American City Vista program, NOAH program, dumping of tires and Councilmember Ronquillo reiterating his request that staff look into his recommended program of paying people for bringing tires for disposal, if local developers would be given the opportunity to get involved in the Cisneros/Vista project, BIA interest in the project, President Perea stressing the City cannot miss the opportunity of picking the right location to build homes downtown and pull all money together to make a huge demonstration project, need to bring people downtown to live, if funding recommendations would be brought back to Council for final action, the area north of the African-American museum being an ideal location for the Vista project, need to create tax increment, President Perea commenting on the city's \$1.5 million investment in the EDC and not getting their moneys worth, the four strategies for economic development and non-materialization, need to start holding the EDC accountable like all other agencies, adding a position to the Chamber of Commerce for Sister Cities, if the Council President would consider a change in city representatives on the EDC Board to allow the RDA Director or Chair to have one of the four seats, and if there was a provision for alternates. Staff was commended for their work and there was no further discussion.

PUBLIC WORKS DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM
GENERAL CITY SERVICES

The above departments and the budget hearing was continued to Monday, June 10, 2002, at 6:00 p.m.

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ADJOURNMENT

There being no further business to bring before the Council, the hour of 9:54 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

APPROVED on the 11th day of June, 2002.

_____ ATTEST: _____	
Henry Perea, Council President	Yolanda Salazar, Assistant City Clerk

